THE UNDER SECRETARY OF DEFENSE
ACQUISITION AND TECHNOLOGY

APR 15 1999

MEMORANDUM FOR: DR. JOHN J. HAMRE

SUBJECT: "Transition to a Digital Environment for Acquisition Programs (Paperless Program Office)"

John:

I have been reviewing the Services' and Agencies' progress on this subject on a quarterly basis. While I would like to see the progress move more rapidly, I think there is beginning to be real motion. I'm now at the point where I believe we can begin to obtain some detailed metrics and plans toward an integrated digital environment for acquisition programs (in both government and industry). 1999 will be a critical year in this implementation. We'll keep tracking and keep you informed.

Jack

J. S. Gansler

Attachment:

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Transition to a Digital Environment for Acquisition Programs (Paperless Program Office)

Summary

The purpose of the "paperless program office" initiative is to manage the ongoing transition of program offices to a more integrated environment. The effort is an acquisition functional subset of the DoD Integrated Digital Environment (IDE). Under the initiative, individual Program Managers (PM) will be permitted to build their appropriate, unique IDE within a common, defense-wide framework. Services and DoD agencies are coordinating approaches to ensure appropriate DoD-wide implementation.

Background & Status

July 2, 1997 DepSecDef "Policy for the Transition to a Digital Environment for Acquisition Programs."

- "Overwhelming majority" of acquisition and logistics operations to be based on digital methodologies and products by end of 2002;
- Centered the initiative around the acquisition program offices;
- Program Managers responsible for establishing appropriate digital environments.

July 15, 1997, Acting USD(A&T) issued additional guidance

- Focused implementation on ACAT I programs;
- Tasked the Integrated Program Management Initiative (IPMI) Executive Steering Group (ESG) representing OUSD(A&T)SA, the SAEs, DCMC, DARPA, DUSD(L), DISA, TSE&E, C3I, DUSD(AR), NRO and JECPO) to oversee the initiative. Specific taskings:
  1. Coordinate cross Component activities;
  2. Develop any additional guidance deemed necessary;
  3. Defense Contract Management Command (DCMC) and Services to encourage contractors to submit digital environment concept papers under the single process initiative (SPI);
  4. Defense Acquisition University (DAU) to add digital environment implementation guidance to program management training courses;
  5. All new programs to include digital operations in their strategic planning;
  6. Milestone Decision Authorities to assess the digital environments developed for each acquisition program at each new milestone review;
  7. ESG to report progress to the USD(A&T) every six months (Note: The first three reviews occurred in January and August 1998, and March 1999).

Initial Actions (late 1997)

- Services surveyed ACAT I program managers to better understand existing state of digital operations;
- Most program offices were found to have instituted some form of digital operations; numerous program offices (such as the Navy's AEGIS, DD21, LPD17 and AAAV, the Army's Blackhawk and the Air Force's GATO/MC2 and JSF programs) had taken significant steps toward implementing truly integrated digital environments;
- Program managers generally agreed that information must be immediately accessible, Web technology offers the best potential for integrating the digital information needed to do business, the owner/creator of information should be its keeper and "appropriate" information access should replace reporting.

Progress in 1998

- Army completed its Strategic and Transition Plans for the transition to digital operations;
- Air Force developed initial business model and initiated numerous "Innovation Centers";
- Navy conducted benchmarking meetings with the "Big Three" contractors, surveyed 450+ ACAT programs and held IPTs with Navy program managers to understand their requirements. In addition, the Navy began compiling a handbook of methodologies, frameworks and examples that PMs can use to build their Digital Environments;
- To foster a Government/Industry partnership, DCMC arranged and conducted Integrated Product Teams (IPT) with Boeing, Lockheed, Raytheon, the Services and the JECPO. This is a continuing activity and at least seven meetings have been held since November, 1998:
  1. Each company is struggling with the same internal interoperability questions we have;
  2. Each company has numerous internal and unique styles, practices, and priorities. Consequently, SPI may not be the only method to affect the corporate/Government interface. Whatever combination of methods are chosen have to be used in the context of a DoD-Corporate level acquisition framework. As envisioned, these frameworks would contain a description of the as-is and to-be states, a jointly acceptable migration path and predictable contract language for use by both parties.
- Army-led Joint Service/DCMC IPT created in October, 1998, to establish an Operational Architecture framework for the acquisition and logistics processes. This framework will provide a structure for managing the transition process and the associated automation investment, allow for consistency in metrics, terminology, reporting & management, foster cost effective interoperability, and facilitate the exchange of best practices and common system solutions.

1999 Plan

- Services to develop, and report against, an initial set of metrics for measuring their success in this initiative;
- All ACAT I program managers required to finalize a digital environment transition plan including an initial System Architecture, funding estimate and schedule. These plans and approaches will be addressed at all future Milestone Reviews;

- By the end of 1999, the ESG will finalize its top level Operational Architecture framework for use by the acquisition and logistics communities.
- The Navy will publish guidance to educate the program managers on the "how to" of implementing an acquisition digital environment with examples of predictable contract language.